

HOUSE No. 306

By Mr. Petruccelli of Boston, petition of Anthony Petruccelli relative to the retirement benefits of employees of the Port Authority. Public Service.

The Commonwealth of Massachusetts

In the Year Two Thousand and Five.

AN ACT IMPROVING THE MASSACHUSETTS PORT AUTHORITY EMPLOYEES RETIREMENT SYSTEM.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 Adding the following subdivision, as amended by section 12 of
2 chapter 68 of the acts of 1999, hereby further amends section 5 of
3 said Chapter 32:—
4 (5)(i) Notwithstanding the provisions of this chapter or any
5 other general or special law to the contrary, there is hereby estab-
6 lished an alternative superannuation retirement benefit program
7 for currant group 1 and group 2 contributing members of the
8 Massachusetts Port Authority Employees Retirement System. Par-
9 ticipation in said program shall be an alternative retirement option
10 at time of hiring for all employees hired on or after July 1, 2005.
11 Such group 1 and group 2 members shall make contributions to
12 the Massachusetts Port Authority Employees Retirement System
13 at the rate of 10 per cent on all regular compensation in place of
14 the established member contribution rates, and the established 2%
15 cap rate under chapter 32, thereby any current member of the
16 Massport Employee Retirement System contributing 5%, 7%, 9%
17 along with the 2% cap would have their contribution rate adjusted
18 upon election to participate in this program to 10% those members
19 not electing to participate would remain at their present contribu-
20 tion rates as established under Chapter 32. New members partici-
21 pating in this program would do so at the rate of 10%

22 contribution. Any current group 1 and group 2 contributing
23 member of the Massachusetts Port Authority Retirement System
24 before July 1, 2005 may elect to participate in the alternative
25 superannuation retirement benefit program. Said election shall be
26 made on or after July 1, 2005 and before December 31, 2005. Any
27 current group 1 and group 2 contributing member of a contribu-
28 tory retirement system who transfers into the Massachusetts Port
29 Authority Employees Retirement System before July 1, 2005 may
30 elect to participate in the alternative superannuation retirement
31 benefit program; provided, that said election shall occur within
32 180 days of establishing membership in the Massachusetts Port
33 Authority Employees Retirement System.

34 (5)(ii) Any member who elects to so participate shall be
35 required to make a minimum of five years of contributions at 10
36 per cent from regular compensation pursuant to section 22; pro-
37 vided, however, that if said member elects to retire before he has
38 made said five years of contributions at 10 per cent, said member
39 shall pay, in one sum or in installments as the board may pre-
40 scribe, an amount equal to that which would have been withheld
41 as regular deductions at the rate of 10 per cent from his regular
42 compensation for such five year period based on his last months
43 of regular compensation less contributions made during said
44 member's last five years of creditable service; provided, further,
45 that any inactive member who elects to retire before he has made
46 said five years of contributions at 10 per cent, said member shall
47 pay, in one sum or in installments as the board may prescribe, an
48 amount equal to that which would have been withheld as regular
49 deductions at the rate of 10 per cent from his regular compensa-
50 tion for such five-year period based on the last 12 months of reg-
51 ular compensation which would have been paid to said inactive
52 member had said member continued in the position from which he
53 is currently inactive less contributions made during said member's
54 last five years of creditable service. Any schedule permitting an
55 acceleration of contributions shall be consistent with the plan
56 qualification requirements of the Internal Revenue Code and shall,
57 where necessary to meet the requirements of the Internal Revenue
58 Code, provide for an actuarial reduction of benefits by the actuary
59 appointed by the commission in accordance with the provisions of

60 section 2. Any current group 1 and group 2 contributing member
61 who elects to participate in the alternative superannuation
62 retirement benefit program and pays additional contributions pur-
63 suant to this section and does not complete 30 years of creditable
64 service shall upon termination from membership in or retirement
65 from the system be reimbursed such additional contributions, plus
66 regular interest, as determined by the Massachusetts Port
67 Authority Employees Retirement System.

68 (5)(iii) The normal yearly amount of retirement allowance for
69 an eligible employee who has completed 30 years of creditable
70 service and has paid the full amount of regular deductions on the
71 total amount of regular compensation as determined under para-
72 graph (a) of subsection (2), shall be based on the average annual
73 rate of regular compensation as determined under said para-
74 graph (a) and shall be computed according to the table contained
75 in said paragraph (a) titled group 2, based on the age of such
76 member and his number of years and full months of creditable
77 service at the time of his retirement with the percentage of salary
78 average in such computation to be increased by 2 per cent per year
79 for each full year of service in excess of 24 years of creditable
80 service; provided, however, that such member shall have served
81 for not less than 25 years as an employee of the Massachusetts
82 Port Authority in order to be eligible to receive the benefit pro-
83 vided under this subsection. For any member who retires prior to
84 age 55, his age factor shall be determined in accordance with sub-
85 division (1) of section 10. For any member who retires before
86 completing 30 years of service, such member shall receive a
87 retirement allowance equal to the retirement allowance that the
88 member would have been eligible for had he not participated in
89 the alternative superannuation retirement benefit program.

90 (5)(iv) The total normal yearly amount of the retirement
91 allowance, as determined in accordance with the provisions of this
92 subdivision, of any employee who retires and receives an addi-
93 tional benefit under the alternative superannuation retirement ben-
94 efit program shall not exceed four-fifths of the average annual rate
95 of his regular compensation received during any period of three
96 consecutive years of creditable service for which the rate of com-
97 pensation was the highest or of the average annual rate of his reg-

98 ular compensation received during the period or periods, whether
99 or not consecutive, constituting his last three years of creditable
100 service preceding retirement, whichever is greater.